

Copyright litigation in Malaysia: overview

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SOURCES OF LAW

1. What are the principal sources of law and regulation relating to copyright and copyright litigation?

The main governing legislation for copyright law in Malaysia is the Copyright Act 1987 (Copyright Act), which came into force on 1 December 1987, replacing the earlier Copyright Act 1969. The law has undergone various significant updates since then, with amendments to the Act taking effect in 1990, 1999, 2000, and 2003 and most recently in 2012.

Malaysia became a signatory to the WIPO Berne Convention for the Protection of Literary and Artistic Works 1971 (Berne Convention) in 1990. Under the Berne Convention, the Copyright (Application to other Countries) Regulations 1990 were made and came into force on 1 October 1990, the same day that Malaysia acceded to the Berne Convention. Malaysia is also a party to the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS).

Malaysia joined the WIPO Copyright Treaty 1996 and WIPO Performances and Phonograms Treaty (WPPT) 1996, which was effective as of 27 December 2012.

COURT SYSTEM

2. In which courts is copyright enforced?

The Sessions Court (IP) hears only criminal IP matters, whereas the High Court (IP) hears civil cases on IP, appeals from the decisions of the Registrar at the Malaysian IP Office, and criminal IP appeals from the decisions of the Sessions Court (IP). There is currently a dedicated Intellectual Property Court in the Commercial High Court in Kuala Lumpur, presided over by a single judge. However, in respect of civil jurisdiction, section 23(1) of the Courts of Judicature Act confers jurisdiction on the two High Courts to try all civil proceedings within its respective local jurisdictions. The provision provides that subject to the limitations contained in Article 128 of the Constitution, the High Court will have jurisdiction to try all civil proceedings where:

- The cause of action arose.
- The defendant or one of several defendants resides or has their place of business.
- The facts on which the proceedings are based exist or are alleged to have occurred.
- Any land the ownership of which is disputed is situated.

Appeals from the High Court are made to the Court of Appeal, with the Federal Court being the court of final appeal. The courts, including the appellate courts, are receptive to expert witnesses being called to the stand to elucidate on matters, including matters of a technical nature, or if industry practice is an issue in question.

3. Who can represent parties before the court?

The Rules of Court 2012 (Rules of Court) provide that any person can begin and carry on proceedings in the court by a solicitor or in person.

The Rules of Court further provide that a body corporate must begin or carry on proceedings through a solicitor, unless expressly provided under any written law. An advocate and solicitor must have the exclusive right to appear and plead in all Courts of Justice in Malaysia according to the law in force in those courts.

In certain IP disputes the High Court can allow the ad hoc admission of a qualified advocate and solicitor from another jurisdiction for the purpose of representing any party in such disputes. This is provided the person has special qualifications or experience of a nature not available among advocates and solicitors in Malaysia and that person is instructed by an advocate and solicitor in Malaysia.

4. What is the language of the proceedings? Is there a choice of language?

All proceedings, other than the giving of evidence by a witness in the courts, must be in the Malay language, which is the national language of Malaysia, as provided under the National Language Act 1963/67. In the event of urgency, proceedings can be commenced in the English language provided that a certificate of urgency explaining the matter is filed by the solicitor. Copies of all such documents in the national language must be filed within two weeks or within such extended period that the court may allow.

Under the Rules of Court 2012, any document required for use under the Rules must be in the national language and can also be accompanied by a translation in English. All documents filed with the High Court of Sabah and the High Court of Sarawak must be in the English language and can be accompanied by a translation into the national language.

5. To what extent are courts willing to consider, or are bound by, the decisions or opinions of other national or foreign courts, or other national or international bodies, that have handed down decisions in similar cases?

Based on the doctrine of *stare decisis* (to stand by things decided), each Malaysian court is bound by the decision of the national courts above it. The courts of co-ordinate jurisdiction (where more than one court has the authority to hear a case and make a determination on the outcome of the case) are not bound by each other's decisions. Only decisions of the High Court and above are generally quotable as law. As Malaysia is a common law country and part of the Commonwealth, the decisions of other

Commonwealth countries, in particular, the UK, Singapore and Australia are of persuasive authority.

SUBSTANTIVE LAW

6. What types of works can be protected by copyright?

Literary works

Section 7(1) of the Copyright Act 1987 provides that works eligible to be protected include literary works, musical works, artistic works, films, sound recordings, and broadcasts. Section 7(3) further provides that any literary works, musical works and artistic works will only be eligible for copyright if sufficient effort has been made to ensure the work is original in character and has been written down, recorded or otherwise reduced to a material form. It was held by the High Court in *Megnaway Enterprise Sdn Bhd v Soon Lian Hock* [2009] 8 CLJ 130 that the degree of effort, skill or labour expended is inextricably linked to the originality of the work. It is the authors' view that Malaysian law provides for a closed list of copyrightable works.

Computer programs are listed as an example of a literary work (*paragraph (h), Section 3, Copyright Act*). Therefore, by virtue of section 7(1) of the Act, a computer program, being a literary work, is eligible for copyright. A computer program is defined as an expression, in any language, code or notation, of a set of instructions (whether with or without related information) intended to cause a device having an information processing capability to perform a particular function either directly or after either/both (*section 3, Copyright Act*):

- Conversion to another language, code or notation.
- Reproduction in a different material form.

Copyright protection is therefore extended to the computer codes written in a computer language as a literary work.

Ideas, procedures, methods of operation and mathematical concepts

Section 7(2A) of the Copyright Act specifically excludes ideas, procedures, methods of operation and mathematical concepts from copyright protection. The exclusion of ideas from protection was an issue in *Goodyear Tyre & Rubber Company & Anor v Silverstone Tyre and Rubber Co Sdn Bhd* 1 CLJ 509, where it was held by the High Court that copyright laws were not concerned with the reproduction of ideas (however original). They are concerned with reproduction of the forms in which the ideas are expressed, and in this case the function of the tyre, as opposed to its artistic value, is not protected.

Derivative works

Derivative works including translations, adaptations, arrangements and other transformations of works eligible for copyright, as well as collections of works eligible for copyright by reason of the selection and arrangement of their contents, are protected as original works (*section 8, Copyright Act*). Published editions of literary, artistic or musical works which do not consist of reproductions of typographical arrangements of previous editions may be, if the edition is first published in Malaysia or if the publisher of the edition was a qualified person at the date of first publication, eligible for copyright (*section 9(1), Copyright Act*).

Industrial design

Copyright will not subsist in any design, which is registered under any written law relating to industrial design to address the overlap between copyright and design laws (*section 7(5), Copyright Act*). Purely functional designs capable of being registered as industrial designs are precluded from copyright protection.

Qualified persons

The Copyright Act provides that in order for a work to enjoy copyright protection in Malaysia, the author must be a qualified

person. A qualified person is a citizen or permanent resident in Malaysia, or a body corporate established in Malaysia and constituted or vested with legal personality under the laws of Malaysia (*section 3, Copyright Act*).

Other

Copyright will also subsist in every work which (*section 10(2), Copyright Act*):

- Is eligible for copyright and which being a literary, musical or artistic work, film or sound recording is first published in Malaysia.
- Is of architecture erected in Malaysia or any other artistic work incorporated in a building located in Malaysia.
- Constitutes a broadcast transmitted from Malaysia.

Copyright will also subsist if the work is made in Malaysia (*section 10(3), Copyright Act*) (aside from the exceptions in section 10(1) and section 10(2) (*see above*)). In *Hexagon Tower Sdn Bhd v Polidamic Holdings Sdn Bhd & 3 Ors* [2005] 1 LNS 77, the High Court held that the word "made" denotes the point where a work is actually completed.

If the above conditions are not met, copyright can still be enjoyed and enforced in Malaysia if the works were first produced in a Berne Convention member country. This is provided for under the Copyright (Application to other Countries) Regulations 1990.

Additionally, protection of performers' rights exists under section 10A of the Copyright Act, whereby such protection will subsist in every performance of which the performer is:

- A citizen or permanent resident of Malaysia.
- Not a citizen or permanent resident of Malaysia but whose performance either:
 - takes place in Malaysia;
 - is incorporated in sound recordings that are protected under the Copyright Act;
 - has not been fixed in a sound recording but is included in a broadcast qualifying for protection under the Act.

Separately, any work eligible for copyright which is made by or under the direction or control of the Malaysian Government, and any government organisations or international bodies as may be prescribed under the Copyright Act, will enjoy copyright protection (*section 11(1), Copyright Act*).

7. What are the main acts that constitute primary and secondary infringement of copyright?

Copyright in a work is infringed when a person who, not being the owner of the copyright, and without licence from the owner, does or authorises an act that is controlled by copyright laws (*section 36, Copyright Act*). In relation to a literary, musical or artistic work, a film, a sound recording or a derivative work, the copyright holder has the exclusive right to control the (*section 13(1), Copyright Act*):

- Reproduction in any material form of the works.
- Communication to the public.
- Performance, showing or playing to the public of the works.
- Distribution of copies to the public by sale or other transfer of ownership.
- Commercial rental to the public of the whole work or substantial part of it, either in its original or derivative form, provided the:

- exclusive right to control the distribution of copies refer only to the act of putting into circulation the copies that had not previously been put into circulation in Malaysia, and not to any subsequent distribution of those copies or any subsequent importation of those copies into Malaysia;
- exclusive right to control commercial rental in relation to films will only apply when such commercial rental has led to widespread copying of such work materially impairing the exclusive right of reproduction.

Copyright in a work of architecture includes the exclusive right to control the erection of any building which reproduces the whole or substantial part of the work (*section 14, Copyright Act*). Copyright in a broadcast includes the exclusive right to control in Malaysia, the recording, the reproduction, and the re-broadcasting, of the whole or substantial part of the broadcast (*section 15(1), Copyright Act*).

Copyright is also infringed by the importation of articles into Malaysia, without the licence of the copyright owner, if for the purpose of selling, letting for hire or by way of trade, offering or exposing for sale or hire, the article where it is known or ought reasonably to be known that the making of the article was carried out without the licence of the copyright owner (*section 36(2), Copyright Act*).

Additionally, copyright is infringed by the circumvention of any technological protection measures by or with the authorisation of the copyright owner (*section 36(A)(1), Copyright Act*). This is in addition to the removal or alteration of any electronic rights management information and/or the distribution of such works without the requisite authority (*section 36(B), Copyright Act*).

8. Does your jurisdiction provide authors with moral rights?

Moral rights are covered under section 25 of the Copyright Act. They provide protection against the:

- Presentation of a work without any identification of the author.
- Distortion, mutilation or other modification of works which:
 - significantly alters the work;
 - is such that it might reasonably be regarded as adversely affecting the author's honour or reputation, without the author or their estate's consent.

Any contravention of section 25 will be regarded as a breach of a statutory duty. The courts can order damages and the publication of a correction against any person that contravenes section 25. These rights are exercisable by the author of the work (*section 25 (4), Copyright Act*).

A performer has the right to be identified as the performer of their performance, and to object to any distortion, mutilation or modification of their performance that may be prejudicial to their reputation (*section 25A (1), Copyright Act*).

9. What defences are available to an alleged infringer?

Statutory exceptions to the exclusive control granted under copyright are found in section 13(2) of the Copyright Act. Acts done by way of fair dealing for purposes of research, private study, criticism, review or the reporting of news or current events and accompanied by acknowledgements are not infringing acts (*section 13(2)(a), Copyright Act*). Where the use of the work is by way of fair dealing, there must be an accompaniment of an acknowledgment of the title of the work and its authorship. This is except in the cases where the use is for a sound recording, film or broadcast.

Additionally, there is a list of specific situations where the exclusive right to control the copying of works do not apply, such as:

- Fair dealing by way of a parody, pastiche or caricature.
- Inclusion in a film or broadcast of any artistic work situated in a place where it can be viewed by the public.
- The copying of a work for the private and domestic use of the maker.
- The use of a work in judicial and legal proceedings.
- The use of a work by the government, the national archives or any state archives, the national library or any state library, or by public libraries and educational, scientific or professional institutions, as the Minister may prescribe, where such use is in the public interest and is compatible with fair practice and both of the following apply:
 - no profit is derived from the use;
 - no admission is charged for the performance, showing or playing, if any of these are made to the public.
- Reproduction and distribution of copies of any artistic works where such works are situated in places where it can be viewed by the public.
- Incidental inclusion of a work in an artistic work, sound recording, film or broadcast.

10. Is there a requirement for copyright registration?

Copyright registration is not required to enforce a copyright. Copyright is conferred on a work once all the statutory requirements for eligibility and qualification are met.

A copyright deposit is not required, but the ownership on copyright in Malaysia can be:

- Recorded formally with the Director General of Intellectual Property Corporation of Malaysia (MyIPO) through the Copyright Voluntary Notification System.
- Evidenced by way of a statutory declaration under section 42 of the Copyright Act 1987.

Copyright notification

A notification of copyright in any work can be made to the Controller of Copyright (who is the Director General of the Intellectual Property Corporation of Malaysia) by or on behalf of (*section 26A, Copyright Act*):

- The author of the work.
- The owner of the copyright in the work.
- An assignee of the copyright.
- A person to whom an interest in the copyright has been granted by the licensee.

The purpose of the voluntary notification procedure is to afford copyright owners with more tangible protection, by notifying and depositing a copy of the work eligible for copyright with the Malaysian Intellectual Property Office. The recording of copyright serves as a legal formality to make a public record of the basic facts of a particular copyright.

A voluntary notification application will contain the following:

- The name, address and nationality of the owner of the copyright.
- A true copy of the work protected, together with a statutory declaration that the applicant is either the:

- author of the work;
- owner of the copyright in the work.
- The category of the work.
- The title of the work.
- The name of the author and, if the author is dead, the date of the author's death (if known).
- In the case of a published work, the date and place of the first publication.
- Any other information as the Minister may determine from time to time (which will be gazetted as requirements under the Act).

Statutory declaration

The following must be made by the copyright owner or persons authorised by the copyright owner (*section 42, Copyright Act*):

- Affidavit.
- Certified extracts of the Register of Copyright (*section 26B, Copyright Act*).
- Statutory declaration.

Such affidavit or statutory declaration will be admissible in any proceedings as prima facie evidence of the facts. It circumvents the requirement of having to produce supporting documentary evidence, which may be out-dated. The prerequisites for obtaining a statutory declaration are as follows:

- It must be made by or on behalf of the person claiming to be the copyright owner.
- It must state that the copyright subsists in the work at the time specified.
- The person named in the statutory declaration must be the owner of the copyright.
- That a true copy of the work is annexed to the declaration.

The section 42 statutory declaration becomes enforceable immediately as prima facie evidence under the law, unlike the voluntary notification where the applicant is required to await the registration certificate (which can take up to a year to be issued). This is particularly useful in cases where raid actions are involved, as the copyright owner can take actions against any infringing party immediately as opposed to waiting for the registration certificate to be issued first. Once the statutory declaration is signed, if it is challenged in court, it is for the other side to provide positive evidence to demonstrate the claimant's ownership, for example, by showing that some other person is the true owner of the claimed copyright.

Copyright notice

Copyright notice is not compulsory, although it is recommended. A copyright notice typically consists of the symbol © or the word "copyright" followed by the name of the copyright owner and the year of first publication.

Consequences for failing to register copyright or to display a copyright notice

There is no requirement for a copyright notice, and so there are no legal consequences for failing to display a copyright notice. Regardless of this, copyright owners should still take steps to notify the public of their copyright in the works.

11. How long does copyright protection last for the principal types of copyright work?

Copyright is a time-limited right, and the duration of protection under the Copyright Act varies depending on the type of work in which copyright is granted. There is no regime for the renewal of

copyright as there is no requirement for copyright registration or other formalities.

Literary, musical and artistic works

The life of the author is the basis for any calculation. The copyright in any literary, musical or artistic work subsists during the life of the author and will continue to subsist for 50 years after their death (*section 17(1), Copyright Act*). In the case of a joint authorship of such a work, the calculation runs from the date of the death of the author who dies last (*section 17(4), Copyright Act*).

In the case of a work which is not published during the lifetime of the author, copyright will subsist for 50 years from the beginning of the calendar year following the year in which the work was first published (*section 17(2), Copyright Act*).

Where a work is published anonymously, copyright will subsist for 50 years from the beginning of the calendar year following the year the work was first published or first made available to the public (whichever is later) (*section 17(3), Copyright Act*).

An exception to the duration of copyright afforded to artistic works is found in section 13B of the Copyright Act, which applies in instances where an artistic work has been exploited by an industrial process and marketed in Malaysia or elsewhere. 25 years following the calendar year in which the work was first marketed, the artistic work can then be copied, without infringing the copyright of the work.

Published editions

Copyright in a published edition of a work will continue to subsist for 50 years from the beginning of the calendar year following the year in which the edition was first published (*section 18, Copyright Act*).

Sound recording

Copyright in a sound recording will continue to subsist for 50 years from the beginning of the calendar year following the year of first publication of the recording, or if it is not published, 50 years from the beginning of the calendar year following the year of fixation (*section 19, Copyright Act*).

Broadcasts

Copyright in a broadcast will continue to subsist for 50 years from the beginning of the calendar year following the year in which the broadcast was first made (*section 20, Copyright Act*).

Copyright in film

Copyright in a film will continue to subsist for 50 years from the beginning of the calendar year following the year in which the film was first published (*section 22, Copyright Act*).

Copyright in works of government, government organisations and international bodies

Copyright in works of the government, government organisations and international bodies as prescribed under the Copyright Act will continue to subsist for 50 years from the beginning of the calendar year following the year in which the work was first published (*section 23, Copyright Act*).

Performers' rights

Rights in a performance will continue to subsist for 50 years from the beginning of the calendar year following the year in which the performance was given or was fixed in a sound recording (*section 23A, Copyright Act*).

12. How is copyright infringement assessed?

Copyright is infringed by any person who does, or causes any other person to do, without the licence of the owner of the copyright, an act that is controlled by copyright under the Copyright Act (*section 36(1), Copyright Act*).

In the case of *Megnaway Enterprise Sdn Bhd v Soon Lian Hock* [2009] 3 MLJ 525, the application of section 36(1) of the Copyright Act read together with section 13(1) was relied on, and it was held that for direct infringement, it must be established that:

- There is sufficient objective similarity between the original work and the infringing copy.
- There is a causal connection between the original work and the infringing copy.
- What has been infringed must constitute a substantial part of the original work.

The High Court determined the issue of whether actual copying must be proved and whether substantial similarity is sufficient in the case of *Megnaway Enterprise*. The court held that there could be infringement even if there is an imitation that is not an exact replica of the works. It does not matter whether the size of the copy has been increased or reduced, or whether the whole or part of the original was copied. There does not need to be an exact reproduction, but there must be a high degree of similarity between the two works. In copyright law, once substantial similarity is established, a prime facie presumption of copying by the defendant arises and the burden shifts to the defendant to rebut the causal connection.

An important aspect of copyright is that the claimant can only bring a copyright action if the work has been reproduced substantially. If the defendant can satisfy the court that it has expended sufficient effort to make the work original in character and that there is no causal connection between the two, then the claimant may be unlikely to succeed in the copyright action.

Whether or not the offending work is substantially similar to the copyrighted work (for the purposes of reproduction) depends on the quality, and not the quantity, of the similarities. A part of the copyrighted work that has no originality is not a substantial part of the copyrighted work, and a reproduction of this part is not a substantial reproduction of the copyrighted work. On the other hand, a part of the copyrighted work, however small, if novel and striking may be a substantial part of the copyrighted work, and a reproduction of this part may constitute a substantial part of the copyrighted work (*Longman (M) Sdn Bhd v Pustaka Delta Pelajaran Sdn Bhd* [1987] 1 CLJ 588, and *Alfa Laval (M) Sdn Bhd v Ng Ah Hai & Ors* [2009] 7 CLJ 1).

13. On what grounds can copyright in a work be declared invalid or unenforceable?

There is no regime for the registration of copyright in Malaysia, and so there is technically no provision for the invalidation of copyright. However, copyright claims can be challenged and the courts can hold that a work does not enjoy copyright protection as claimed by the holder of a work purportedly enjoying copyright protection. A copyright can be challenged on the ground that a work is not eligible for copyright and/or that there is a lack of nexus or connection between the author and the place of first publication of the work to Malaysia. Additionally, in the case of literary, artistic and musical works, challenges can be made to the originality of the work if:

- Insufficient effort has been expended to make the work original in character.
- The work is otherwise not written down, recorded or otherwise reduced to material form.

14. What limitation periods apply to copyright infringement actions?

Actions of contract and tort and certain other actions, cannot be brought after the expiration of six years from the date on which the cause of action accrued (*section 6, Limitation Act 1953*). Therefore, an action for copyright infringement may be time-barred if the action is commenced after a period of six years from the date on which the cause of action accrued. Any fresh act of infringement is considered a fresh accrual of action. Limitation must be specifically pleaded by a defendant in order to come into operation.

However, a defendant can still admit to their acts of infringement if a substantial period has lapsed before any action is taken against the defendant by the copyright holder, even if the limitation period under the Limitation Act 1953 has not set in.

15. To what extent can the enforcement of copyright expose the copyright holder to liability for an anti-trust violation?

In Malaysia, the Competition Act 2010 (Act 712) came into force on 1 January 2012 which prohibits vertical agreements, horizontal agreements and abuse of dominance. In particular, section 4 of the Competition Act provides that whether a horizontal or vertical agreement between enterprises is prohibited insofar as the agreement has the object or effect of significantly preventing, restricting or distorting competition in any market for goods or services.

Abuse of dominance is prohibited under the Competition Act in section 10, where it states that an enterprise is prohibited from engaging, whether independently or collectively, in any conduct which amounts to an abuse of a dominant position in any market for goods or services. However, the Malaysian Competition Commission (MyCC) has not issued any specific guidelines that apply to intellectual property rights (IPRs). Agreements in relation to IPRs such as technology transfer agreements, IPR licensing agreements, franchise agreements and or any other IPR agreements may fall within the scope of the application of competition law. Under MyCC's Guideline on Chapter 1 (Prohibition (*Guidelines on Anti-Competitive Agreements*)), MyCC is expected to issue separate IPR-related guidelines to address issues such as the restrictions to the enforcement of IPRs and issues dealing with franchise agreements.

PARTIES TO LITIGATION

16. Who can sue for copyright infringement?

Copyright holder

An infringement of copyright is actionable by the copyright holder.

Exclusive licensee

The exclusive licensee has the same rights of action and is entitled to the same remedies that are available for the copyright holder, and such rights are concurrent with the rights of the copyright holder (*section 38, Copyright Act*). Where the copyright owner and exclusive licensee have concurrent rights of action in relation to an infringement, the copyright owner or the exclusive licensee is not entitled (except with the leave of the court), to proceed with the action (*section 28(3), Copyright Act*). This is unless the other party (that is, the copyright owner or the exclusive licensee) is joined as a claimant or added as a defendant. Where the other party is not joined as a claimant but added as a defendant, the other party is not liable for any costs in the action unless they take part in the proceedings (*section 38(8), Copyright Act*). However, a copyright holder or exclusive licensee can separately apply for an interim

injunction, giving awareness to the fact that interim injunctions are granted only in cases of urgency.

Generally, copyright holders and exclusive licensees set out their respective rights and responsibilities in the relevant licence agreements, taking into consideration the requirement that both must be named as parties to an action in order for an action to proceed.

Non-exclusive licensee

A non-exclusive licensee can sue provided that they join the owner of the copyright as co-claimants (*Television Broadcasts Ltd v Mandarin Video Holdings Sdn Bhd* [1985] 1 MLJ 171).

17. Can copyright collecting societies sue for copyright infringement to enforce their members' rights?

Four major collecting societies are recognised by the Malaysian Government as being authorised to collect royalties. These are:

- **Music Authors' Copyright Protection Berhad (MACP).** MACP is a copyright organisation whose main function is to license users of music and pay composers, lyricists and music publishers that have exclusive rights to musical works that are broadcasted and publicly performed.
- **Public Performance Malaysia Sdn Bhd (PPM).** PPM is authorised to represent the recording companies/labels for the collection of royalties and the granting of licences for the broadcasting of sound recordings, music videos and karaoke recordings belonging to the recording companies.
- **Performers Rights & Interest Society of Malaysia (PRISM).** PRISM collects, distributes and protects the interests and rights of performers.
- **Berhad and Recording Performers Malaysia (RPM).** RPM was incorporated as a limited-by-guarantee company on 18 October 2011 by eligible recording artistes and musicians to collectively issue licences in order to receive and distribute royalties for RPM members' recorded performances.

A licensing body can operate a "licensing scheme" within the meaning under section 3 of the Copyright Act. A licensing scheme sets out (*section 3 (a), Copyright Act*):

- The classes of case in which the operator of the scheme, or the person acting on their behalf, is willing to grant copyright licences.
- The terms on which licences would be granted in those classes.

A society or an organisation which intends to operate as a licensing body for copyright owners or for a specified class of copyright owner must apply to the Controller to be declared as a licensing body (*section 27 A(1), Copyright Act*).

Section 27AA(1) of the Copyright Act provides that *sections 27B to 27G* will apply to licensing schemes operated by licensing bodies in relation to the copyright in any work, so far as they relate to licences for:

- Reproducing the work.
- Performing, showing or playing the work in public.
- Communicating the work to the public.
- Rebroadcasting the work.
- The commercial rental of the work to the public.
- Making adaptations of the work.

Infringement of copyrights will be actionable when the owner of the copyright files a suit (*section 37, Copyright Act*). It is arguable that the holder of the right can authorise a copyright collecting

society to act on its behalf, in the membership agreement. In the recent decision in *Prism BHD v Measat Broadcast Network System SDN BHD* [2017] 8 CLJ 225, the High Court held that such licensing schemes would only concern copyright licences as referred to in section 3(a) of the Copyright Act. The court held that licensing schemes would not concern equitable remuneration rights, which arise when a:

- Sound recording is published for commercial purposes.
- Reproduction of a sound recording is publicly performed or used directly for broadcast or other communication to the public.

18. Under what conditions, if any, can an alleged infringer bring proceedings to obtain a declaratory judgment of non-infringement?

It is unusual for an alleged infringer to bring an action independently of any infringement action to obtain a declaration of non-infringement. The alleged infringer would need to first satisfy the court that it has the right or capacity to bring an action or to appear in a court, to seek such a declaration. It is more common for a defendant to a copyright infringement action in its defence and/or counterclaim to seek to show that a work is not a work that is eligible or qualified for copyright protection and/or seek a declaration of non-infringement.

19. Who can be sued for copyright infringement?

Any legal personality can be sued for copyright infringement. In the case of an infringement by a company, the company is usually the party named in the action. Unless the directors of the company have acted beyond the limits of their authority, they will not usually be named as parties to an infringement action, as they are considered officers of the company and actions taken by them are deemed to be taken on behalf of the company.

A person that commits an act of infringement under the Copyright Act will be liable. Similarly a person that causes the act of infringement will also be liable.

In order for there to be a finding of infringement, there must have been sufficient connection between the person committing the act and the person causing the act, for example, in an employer-employee situation or where there is a relationship of agency.

20. How is the liability of intermediaries, such as internet service providers treated? Under what conditions can they be liable for copyright infringement? Are there any specific defences available to them?

The copyright in a work is infringed when a person other than the copyright owner or their licensee, does or authorises any of the following acts (*section 36, Copyright Act*):

- Reproduces in any material form, performs, shows, plays or distributes to the public, communicates by cable or broadcast the whole work or a substantial part of it, either in its original or derivative form.
- Imports any article into Malaysia for the purposes of trade or financial gain, when the person knows or ought reasonably to know that the making of the article was done without the consent or licence of the copyright owner.
- Circumvents or causes another to circumvent any effective technological measures that are employed by authors to restrict acts in relation to their works that they have not authorised.

For online materials, copyright infringement may involve the internet service provider (ISP) if the ISP had facilitated the infringement. An ISP may be held liable for direct, vicarious or contributory infringement.

If an ISP had exercised the reproduction rights of the copyright owner without consent, the ISP may be guilty of direct infringement. If an ISP had financially gained from the infringement and had the right to control and supervise the infringement, the ISP may be guilty of vicarious infringement. Finally, if an ISP is found to have knowledge of the infringing activity and intentionally participated in it, the ISP may be guilty of contributory infringement.

However, an ISP will be exempt from liability for copyright infringement when it merely (*section 43C to 43E, Copyright Act*):

- Transmits, routes or provides connections of an electronic copy of the work through its primary network or any transient storage of the electronic copy of the work (*section 43C, Copyright Act*).
- Makes an electronic copy (system caching) of the work from an electronic copy of the work made available on an originating network, or through an automatic process, or in response to an action by a user of the ISP's primary network, or to facilitate efficient access to the work by a user (*section 43D, Copyright Act*).
- Stores electronic copy of the work at the direction of a user of the ISP's primary network or linking a user to an online location on an originating network at which an electronic copy of the work is made available by the use of an information tool such as a hyperlink or directory, or an information location service such as a search engine (*section 43E, Copyright Act*).

ISPs must satisfy the various conditions set out in sections 43C to 43E of the Copyright Act in order to obtain the benefit of the exemptions under the respective provisions. Section 43H empowers a copyright owner to notify an ISP of any infringing materials and to require such materials to be removed or access to it be disabled by the ISP.

21. Is it possible to add or remove parties during litigation?

In relation to adding or removing parties during litigation, the courts are allowed to do the following, on terms as they see fit and either of its own motion or on application at any stage of the proceedings (*Order 15(6)(2), Rules of Court 2012*):

- To make any person that has been improperly or unnecessarily made a party, cease to be a party.
- To add any person as a party where there exists a question or an issue arising out of or connected to their relationship with a party to the proceedings. This is to be determined by the court where it considers it just and convenient to do so.

ENFORCEMENT OPTIONS

22. What options are open to a copyright holder when seeking to enforce its rights in your jurisdiction?

Civil proceedings

A copyright holder seeking to enforce their rights can bring a civil action. This is generally brought by way of a writ of summons together with a statement of claim setting out the material facts of the claim as well as the remedies sought. In addition to the usual civil action in the court, a copyright holder can resort to the Copyright Tribunal (established under the Copyright Act 1987) to enforce its rights. The Copyright Tribunal can of its own motion or

at the request of a party, refer a question of law arising in proceedings concluded before it for determination by the High Court. Concurrent with the commencement of a civil suit, the claimant may wish to take pre-emptive measures to immediately stop the infringing action by applying for an interim injunction, a Mareva injunction or an Anton Piller order.

Criminal proceedings

A complaint can be lodged with the Enforcement Division of The Minister of the Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC) whereby the Enforcement Division will then conduct raids and seize the offending items. The Enforcement Division of the MDTCC under its investigations following a raid and seizure can refer the matter to the Public Prosecutor. There will be no prosecution for any offence under this Act except:

- With the consent in writing of the Public Prosecutor (*section 53, MDTCC*).
- To compound the offence (if prescribed as compoundable) with the consent of the Public Prosecutor (*section 41A, MDTCC*).
- The compound acts as a fine for the acts of infringement, and no further proceedings will be taken against the infringer. Goods seized during the raid and seizure may be released to the infringer.

Two categories of offences are provided for under the Copyright Act:

- The first category of offence is the act of infringement of copyright (*section 41, Copyright Act*).
- The second category was created to aid the process of enforcement taken against infringers. Under the second category, it is an offence to:
 - refuse access to enforcers to any place (*section 48(a), Copyright Act*);
 - assault, obstruct, hinder or delay enforcers in effecting entry or in the execution of their duties under the Copyright Act (*section 48(b), Copyright Act*);
 - refuse to provide enforcers with any information relating to an offence or suspected offence (*section 48(c), Copyright Act*);
 - knowingly provide false information, or information which is believed to be false, with a view to deceiving enforcers in the execution of their duties under the Copyright Act (*section 48(d), Copyright Act*);
 - knowingly make any statement in any statutory declaration or affidavit claiming copyright, which is false, or which is believed to be false (*section 48(e), Copyright Act*).

Border measures

A copyright holder can seek to prohibit the importation of infringing copies into the country by making an application to the Director General of the Intellectual Property Corporation of Malaysia, who is the Controller of Copyright, to request that during a specified period, copies of certain works must be treated as "infringing copies" (*section 39(1), Copyright Act*). Infringing copies are defined as any copy of a work made outside Malaysia, the making of which was carried out without the consent or licence of the owner of the copyright in the work. On the approval of the application, the importation of the infringing copies will be prohibited and liable to seizure and forfeiture.

23. Is interim relief available for the rapid removal of infringing content from the internet?

The owner of copyright that has been infringed can notify (in the manner determined by the Minister) an internet service provider

(ISP) to remove or disable access to the electronic copy on the ISP's network (section 43H, Copyright Act). An ISP that has received such notification must remove or disable access to the infringing electronic copy on its network within 48 hours from the time of receipt of the notification. Otherwise, the ISP may be held liable for the infringing activity.

The owner of the copyright is also required to compensate the ISP or any other person against any damages, loss or liability arising from the ISP's compliance with the notification (section 43H, Copyright Act).

Section 211 of the Communications and Multimedia Act 1998 (CMA) also prohibits provision of any content that is, indecent, obscene, false, menacing or offensive in character with intent to annoy, abuse, threaten or harass any person. "Content" is defined under the CMA to mean any sound, text, still picture, moving picture or other audio-visual representation, tactile representation or any combination of the preceding which is capable of being created, manipulated, stored, retrieved or communicated electronically. A licensee must do their best to prevent the network facilities that they own or provide or the network service, applications service or content applications service that they provide from being used in, or in relation to, the commission of any offence under any law of Malaysia (section 263(1), CMA). A licensee must, on written request by the Commission or any other authority (section 263(2), CMA):

- Assist as far as reasonably necessary in preventing the commission or attempted commission of an offence under any written law of Malaysia.
- Assist in enforcing the laws of Malaysia, including, but not limited to, the protection of the public revenue and preservation of national security.

24. Is it advisable to send a letter before action (cease and desist letter) to an alleged infringer before commencing copyright infringement proceedings?

Depending on the facts of the case, it is customary to send a letter of demand or a cease-and-desist letter before initiating a civil action. The letter is proof to the court that the claimant had taken steps to resolve the matter before resorting to court action.

25. To what extent are your national courts able to grant cross-border or extra-territorial injunctions (preliminary or permanent)?

The Federal Court has held that the procedural provision in Order 11, Rule 1 of the Rules of the Court confers extra-territorial jurisdiction over a foreign defendant (*Petrodar Operating Co Ltd v Nam Fatt Corporation Bhd & Anor* [2014] 1 CLJ 18). This procedural order operates independently from section 23 of the Courts of Judicature Act 1964 (CJA) which confers the Malaysian court with jurisdiction over a claim.

In terms of general civil jurisdiction, and subject to the limitations contained in Article 128 of the Constitution, the High Court will have jurisdiction to try all civil proceedings where (section 23(1) CJA):

- The cause of action arose.
- The defendant or one of several defendants resides or has their place of business.
- The facts on which the proceedings are based exist or are alleged to have occurred.
- Any land the ownership of which is disputed is situated, within the local jurisdiction of the court.

However, section 23(1)(b) of the CJA has been interpreted to provide extra-territorial jurisdiction to the High Court in cases where foreign nationals overseas are sued as co-defendants with local residents. In the case of *United Malayan Banking Corporation Bhd v Soo Lean Tooi & Ors* it was held that it is the intention of the Malaysian legislature to confer jurisdiction on the High Court of Malaysia under section 23(1)(b) of the CJA with regards to a person that does not reside or has no place of business or property within the local jurisdiction of the said High Court. This is if such person is one of several defendants who have been sued where the other defendants are residing or have a place of business or have property within the local jurisdiction of the said High Court. The wording of section 23(1)(b) of the CJA was intentional. If the words "one of several defendants" had been omitted, the High Court would not have jurisdiction for a person that is one of several defendants and who does not reside within the local jurisdiction (even if the other defendants are residing in such jurisdiction).

In interpreting section 23(1)(b) of the CJA 1964, the Malaysian courts have in general assumed that Parliament intends to confer extra-territorial jurisdiction on the High Court in cases where more than one defendant is being sued, provided one of the several defendants resides or has its place of business within Malaysia.

26. To what extent are arbitration, and alternative dispute resolution (ADR) methods (such as mediation), available to resolve copyright disputes?

Arbitration

The Kuala Lumpur Regional Centre for Arbitration (KLRC) was established in 1978. The KLRC is an independent arbitral institution and any arbitration conducted under the rules of the KLRC is excluded from the supervision or intervention of the courts. Additionally, the KLRC provides a system for the conciliation and mediation of disputes. The rules under the KLRC for conciliation and mediation incorporate provisions of the UNCITRAL Model Law on International Commercial Conciliation 2002 (UNCITRAL Model Conciliation Law).

Arbitrations in Malaysia are governed by the Arbitration Act 2005 (AA 2005). The UNCITRAL Model Law on International Commercial Arbitration 1985 (UNCITRAL Model Arbitration Law) has been adopted as part of the working provisions of the Act.

ADR

The most common forms of ADR are mediation and arbitration. The Mediation Act 2012 seeks to facilitate this process. Generally, the parties are free to agree on the appointment of any person as their mediator. If parties cannot come to an agreement, they can request the Malaysian Mediation Centre of the Bar Council (MMC) to appoint a qualified mediator from its panel. Any agreement arising from a successful mediation is reduced to writing in a Settlement Agreement signed by the parties. In the event the mediation is not successful, the parties can proceed to pursue their respective rights in litigation or arbitration.

Parties will often commence legal proceedings without first attempting mediation. In such circumstances, it is common for the judge to suggest that parties attempt mediation. If the parties are agreeable, the judge may mediate the matter, or alternatively refer the parties to another judge or registrar to assist with the mediation. Where the mediation is unable to bring about an amicable settlement, the case is returned to the hearing judge for disposal.

While ADR methods, particularly arbitration, have gained a foothold in the resolution of commercial disputes in Malaysia, such methods are often not utilised in the settlement of IP disputes. One of the reasons may be that in most cases of copyright infringement, the main remedy sought by the copyright holder is an injunction against further acts of infringement. Interim injunctions may be

granted by the courts pending the determination of the action, while such interim injunctions are not a remedy available pending the determination of disputes by way of ADR (see *Question 35*).

PROCEDURE IN CIVIL COURTS

27. What is the format of copyright infringement proceedings?

The format of copyright infringement proceedings is the same as any general civil action trial. Since the nature of copyright infringement generally involves substantial dispute with regard to facts, the civil action is brought by way of a writ of summons together with a statement of claim setting out the material facts of the claim as well as the remedies sought. In copyright disputes, a judge sitting alone in the High Court will hear and determine both issues of fact and law.

On an appeal of a High Court's decision to the Court of Appeal, the proceedings in the Court of Appeal are heard and disposed by three judges or a greater number of judges as determined by the President of the Court of Appeal. Proceedings in the Federal Court are disposed by three judges or a greater number of judges as may be determined by the Chief Justice.

28. What are the rules and practice concerning evidence in copyright infringement proceedings in your jurisdiction?

Documents

All relevant documents are presented through affidavits.

Witness evidence

Parties are required to prove their case by calling witnesses who will state their cases in the first stage of trial, namely examination-in-chief, by way of written witness statements. Witnesses are also required to be present in court during the trial for cross-examination.

Expert evidence

The court can at any time, on its own motion or on the application of any party, appoint an independent expert to inquire and report on any question of fact or opinion (not involving questions of law or of construction) (*Order 40, Rules of Court 2012*). Parties can apply to the court for leave to cross-examine an expert witness on the report produced.

29. To what extent is survey evidence used?

Survey evidence is generally more common in trade mark infringement and passing-off actions, and the determining value of such evidence remains contentious. Such evidence is generally almost always challenged and rejected as being fundamentally flawed. The evidence of surveys is of persuasive value and may assist the courts in determining issues.

Generally, surveys are conducted by the parties to support their claims or defence, and are not ordered by the courts. The conduct of any survey is generally determined by the party who commissions the survey and the outcome from such survey would be influenced by the manner in which it had been conducted.

It would appear from recent trade mark infringement and rectification cases that in order for market survey evidence to be admissible and have significant determining value, strict adherence to the "minimum criteria" as laid down in *Imperial Group PLC & Another v Philip Morris Limited & Another [1984] RPC 293* is crucial. The minimum criteria are as follows:

- The interviewees must be selected in such a way that represents a relevant cross-section of the public.

- The size must be statistically significant.
- It must be conducted fairly.
- All the surveys carried out must be disclosed including the number carried out, how they were conducted, and the total number of persons involved.
- The totality of the answers given must be disclosed and made available to the defendant.
- The questions must not be guiding or lead the person answering into a field of speculation that they would not have entered had the question not been put forward.
- The exact answers must be recorded (not an abbreviated form).
- The instructions to the interviewers as to how to carry out the survey must be disclosed.
- Where the answers are coded for computer input, the coding instructions must be disclosed.

There is a possibility that such criteria may also be extended to copyright infringement cases. A party may attempt to recover the costs of the survey if an order for costs is made by the courts.

30. Is evidence obtained for criminal proceedings admissible in civil proceedings, and vice versa?

Evidence from criminal proceedings is admissible in civil proceedings and vice versa. This stems from the fact that a civil suit is initiated by the copyright holder or its exclusive licensee, while criminal proceedings are conducted by the public prosecutor respectively from the same set of facts. However, in practice the Enforcement Division of The Minister of the Ministry of Domestic Trade, Co-operatives and Consumerism generally withholds access to documents and articles obtained from raids and seizures from complainants. This makes it difficult for a copyright holder to prove its claims without such access if the only evidence the copyright holder has of any infringing acts are those obtained during a raid and seizure.

31. Is evidence obtained in civil proceedings admissible in other civil proceedings?

Evidence obtained in civil proceedings is admissible in other civil proceedings.

32. To what extent is pre-trial discovery permitted and what other mechanisms are available for obtaining evidence from an adverse party or third parties?

Pre-trial discovery

Order 24 of the Rules of Court 2012 provides the mechanism for the discovery and inspection of documents at any stage of the proceedings when the court is of the opinion that the order is necessary for disposing fairly of the cause or matter. Order 24, Rule 3 states that the court may at any time order any party to a cause or matter (whether begun by writ, originating summons or otherwise) to give discovery. This can be by making and serving on any other party a list of the documents which are or have been in their possession, custody or power and may at the same time or subsequently also order them to make and file an affidavit verifying such a list and to serve a copy on the other party.

A party being served with such an order will also make and serve on any other party a list of the documents that are or have been in

their possession, custody or power relating to any matter in question in the action:

- Which the party relies on or will rely on.
- That may adversely affect their or the other party's case, or support the other party's case.

The party may be required by the order to make and file an affidavit verifying such a list which must also be served on the other party.

The documents listed by a party to an action for discovery must be available for inspection, and copies made. The court is empowered to make an order for such documents to be made available for inspection. Failure to comply with the rules of discovery may result in an action being dismissed, or a defence struck out and judgment entered accordingly.

Other mechanisms

Anton Piller orders are also available.

33. What level of proof is required for establishing infringement?

A copyright holder must show on the balance of probabilities that an infringement has occurred in order to succeed in such an action. In criminal proceedings, the level of proof is beyond reasonable doubt.

34. How long do copyright infringement proceedings typically last?

Expediting proceedings

Due to the recently-introduced case management system in the High Court, proceedings have become much swifter. Proceedings will take about one to two years to conclude, assuming they proceed to full trial.

Delaying proceedings

One of the signs that a defendant may be seeking to delay proceedings is by:

- Avoiding the service of the process.
- Filing an interlocutory application whenever possible, for example:
 - an application to strike out the action for disclosing no reasonable cause of action when there is clearly a cause of action for infringement;
 - an appeal from any decisions of the court in which the appeal is clearly unsustainable.

Staying proceedings

The courts have authority to stay proceedings pending the determination of the applications or appeals. The court uses its discretion to determine whether to stay proceedings with reference to the facts in the proceedings.

Counteracting delay to proceedings

A copyright owner can apply for substituted service in the event the defendant is avoiding service of the proceedings. To further counter the prejudice which may be caused to a claimant by such actions, the courts are empowered to award costs against a defendant on a determination of the applications and appeals against the defendant. It should be noted that the High Court, under the new case management system, is less likely to countenance delay or any delaying tactics.

PRELIMINARY RELIEF

35. Is preliminary relief available, and if so what measures are available and under what conditions?

Interlocutory injunction

Preliminary relief is available. Generally, an aggrieved person will seek an interlocutory injunction during the course of the pre-trial period, as opposed to a final or permanent injunction whereby the remedy is only granted at the conclusion of the trial. Interlocutory injunctions can be applied for ex parte (that is, without informing the defendant) or inter partes (where the defendant is informed and is entitled to be heard).

The principles on which interlocutory injunctions can be granted are set out in the landmark case of *American Cyanamid Co v Ethicon Ltd.* [1975] AC 396 at 407-408. The principles of which have been applied in *Keet Gerald Francis Noel John v Mohd. Noor bin Abdullah & Ors* [1995] 1 MLJ 193. The guidelines for allowing interlocutory injunctions stated in the case are as follows:

- Whether there is a bona fide serious issue to be tried.
- Finding that an issue that has been disclosed requires further investigation.
- Whether the justice of the case involves taking into account all relevant matters, including the practical realities of the case and the harm the injunction would cause in it being granted, compared to the harm that would result from it being denied.
- Whether it is intended to produce a just result for the period of time between the date of the application and the trial, and will maintain the status quo of the case.

Such an injunction is obtained on the basis of undertakings as to damages in the event the claimant fails to obtain judgment.

Injunctive relief is equitable in nature. Interlocutory injunctions must be applied for speedily (as soon as the claimant becomes aware that its copyright is infringed) unless such delay and inaction can be adequately explained. All material facts must be disclosed. Any suppression of material facts even due to an error of judgment may cause the injunction to be refused.

Misrepresentations of any fact or circumstances can also be a reason for the injunction to be refused. A triable issue whether on points of law or fact must be established. The balance of convenience must favour the grant of the interlocutory injunction.

The judge will consider whether it would be the claimant or the defendant that would suffer greater hardship and injustice if the interlocutory injunction were granted or refused. The judge will also consider whether the damages likely to be suffered can be quantified in monetary terms and, whether the defendant is capable of and is in a financial position to pay. Sometimes, instead of an interlocutory injunction being granted, the judge may, depending on the facts and circumstances, order that part of the proceeds of the defendant be held in a joint account as security for any damages that the defendant may be ordered to pay eventually.

Anton Piller order

An Anton Piller order is also a form of pre-trial relief. Three main conditions must be satisfied in applying for an Anton Piller order:

- The claimant must have a strong prima facie case.
- The claimant must prove that very serious damage would occur if the search order is not granted.
- There must be clear evidence that the defendant is in possession of incriminating documents or things and that there is a real possibility that such important evidence may be destroyed (if the order is not granted).

Mareva injunction

A Mareva injunction can also be obtained if the claimant has evidence that the defendant is dissipating its assets to avoid having to pay damages likely to be ordered against it. The defendant's bank accounts may be frozen and the order may extend even to assets outside Malaysia. The onus is on the claimant to establish the need for such an order.

36. Can a protective writ be filed at the court at which an ex parte application may be filed against that defendant?

A protective writ is issued to preserve an action against the limitation period (*Huang Min & 31 Ors v Malaysian Airline System Bhd & Ors* [2016] 12 MLJ 299). However, there are no other reported cases which state the practice of depositing a protective writ by the defendant where there may be an ex parte application filed against the defendant.

37. What is the format for preliminary injunction proceedings?

General

In Malaysia, the application for a preliminary injunction must be made by a notice of application supported by an affidavit (*Order 29 Rule 1(2), Rules of Court, 2012*). The claimant then issues and serves the notice of application which notifies the defendant of the date and time of the hearing of the application and the terms of the order sought by the claimant.

Level of proof

Applications for interim injunctions are heard in chambers, and parties rely on affidavit evidence to either prove or disprove a prima facie case of infringement. The issues in the action would only be fully expressed during trial where full evidence would be produced and witnesses called.

Evidence

An application for an interlocutory injunction is supported by affidavit evidence. The affidavit in support of the application sets out the facts and the grounds on which the injunction is based. Hearsay evidence is permitted provided the source of the information is stated.

Copyright validity

The defendant can put the validity of a copyright in issue in preliminary injunction proceedings. In urgent cases, the defendant may challenge it based on the fact that the claimant did not have a strong prima facie case and therefore, the claimant never had the right to bring an action in the first place.

Length of proceedings

Applications for interim injunctions can be arranged to be heard reasonably and quickly before the court. The hearing will generally conclude on the day of the hearing, with the decision generally granted immediately after the hearing.

38. Where a preliminary injunction is granted, is it necessary to start main proceedings to confirm the preliminary injunction, and if so, what is the deadline?

It is necessary to start main proceedings to confirm the preliminary injunction. In fact, a writ of summons must be filed before filing an application for a preliminary injunction.

39. What remedies are available in a copyright infringement action?

Permanent injunction

Infringements of copyright and the prohibited acts under sections 36A and 36B of the Copyright Act will be actionable by the owner of the copyright (*section 37, Copyright Act*). In any action for such an infringement, all relief by way of damages, injunction, accounts or otherwise, will be available to the claimant as are available in any corresponding proceedings in respect of infringement of other proprietary rights. An injunction which may be interlocutory or final in nature may be granted to halt the production of copyright-infringing acts.

Monetary remedies

Monetary remedies which are available in a copyright infringement action include damages such as financial compensation and an account of profits. However, such monetary remedies are not available if the defendant was not aware, and had no reasonable grounds for suspecting, that the offending act was an infringement of copyright (*section 37(6), Copyright Act 1987*).

Delivery up or destruction of infringing goods

Discovery, delivery up and destruction of the infringing goods are also available to help facilitate the enforcement of the order obtained.

Recall order

The authors are not aware of any reported copyright decisions in Malaysia where a recall order has been granted. However, they are of the view that courts may be willing to consider recall as a remedy in infringement actions, if it is *sought by the claimant*.

Declaration of infringement and validity

In Malaysia, the court can grant a declaration that there has been a copyright infringement.

Others

Another form of remedy is for a public apology to be issued from the infringing party.

40. How are monetary remedies assessed against a copyright infringer?

On a finding of infringement, the courts may use different methods to determine the loss suffered by the copyright holder or the gain obtained by the infringing party. This includes calculating any:

- Royalties that should have been paid.
- Loss of profits which the copyright owner would have received had the infringement not occurred (if the copyright owner and the infringer are direct competitors).

The copyright infringer will then be required to make an account of profits to calculate all revenue that has been amassed as a result of the infringement. These profits will then be owed to the claimant. Additionally, the court has the power to award additional damages to the copyright holder, as appropriate in the circumstances.

The court can also use other approaches, for example, the "licence fee" approach. These are the fees or royalties that the claimant would have obtained from the defendant. Where the licence fee approach is not appropriate (*Autodesk Australia Pty Ltd & Anor v Cheung* [1990] 94 ALR 472), the court will usually assess damages based on the losses caused to the copyright owner by the defendant's sale of infringing copies.

APPEAL REMEDIES

41. What routes of appeal are available to the unsuccessful party and what conditions apply?

Any judgment or order of the High Court can be appealed to the Court of Appeal, as provided under the Courts of Judicature Act 1964, except where:

- The amount or value of the claim is less than RM250,000, absent the leave of the Court of Appeal.
- Where the judgment or order is made by consent of the parties.
- Where the judgment or order relates to costs only, absent the leave of the Court of Appeal.
- Where under any written law, the judgment or order is final.

The Courts of Judicature Act 1964 further provides that leave for an appeal of any judgment or order from the Court of Appeal to the Federal Court will be decided based on whether:

- There is a question of general principle decided for the first time or a question of importance on which a decision of the Federal Court would be of advantage to the public.
- The decision relates to the effects of any provision of the constitution.

There is no right of appeal to the Federal Court, and the claimant must satisfy the Federal Court that the issues at hand fall within the narrow ambit of matters where leave to appeal would be granted.

LITIGATION COSTS

42. What level of cost should a party expect to incur to take a case through to a first instance decision, preliminary injunction proceedings and appeal proceedings?

Costs vary widely and are dependent on factors such as the complexity of the case, the amount of preparatory work required and the requirement for expert witnesses (among other factors). The typical legal costs in a copyright infringement lawsuit are as follows:

- Pre-trial (including the settling of pleadings, case management, and preparation for trial): RM150,000 to RM300,000.
- Trial: RM130,000 to RM350,000.
- Appeal (to the Court of Appeal): RM80,000 to RM150,000.

REFORM

43. What are the important developing and emerging trends in your country's copyright law?

In 2017, an important decision was issued in the case of *Aktif Perunding SDN BHD v ZNVA & Associates SDN BHD [2017] 1 LNS 603*. The High Court clarified that the main contractor that had commissioned the claimant for the construction of some student accommodation in Kuala Lumpur was the owner of the mechanical and electrical engineering drawings (Drawings). This was ascertained by virtue of the court's interpretation of section 26(2)(a) of the Copyright Act 1987, as the main contractor had commissioned the consultant to prepare the Drawings. The court mentioned that despite the claimant being the author of the Drawings, the main contractor's Letter of Intent constituted a "commission". The emphasis is that a commission involved an "order" and a "request" by the main contractor for the claimant to produce the Drawings.

ONLINE RESOURCES

Intellectual Property Corporation of Malaysia (MyIPO)

W www2.myipo.gov.my/hakcipta-soalan **Description**. Official website of MyIPO, whose main objectives are to:

- Establish a strong and effective administration.
- Strengthen intellectual property laws.
- Provide comprehensive and user-friendly information on intellectual property.
- Promote public awareness programmes on the importance of intellectual property.
- Provide advisory services on intellectual property.

Intellectual Property Corporation of Malaysia

W www.myipo.gov.my/en/copyright-act-1987/ **Description**. This website contains official information and links to the Copyright Act, including all amendments up to 2012.

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Areas of practice. IP; IP protection and ownership; advertising; consumer protection; copyright; domain names; franchising; gaming; regulatory approvals for food, drugs and cosmetics as well as distributorships, licensing, outsourcing, service and consultancy agreements.

Recent litigation and transactions

- Successfully defended a litigation action which involved applications for a declaration that the assignments of the defendant's trade mark were invalid and in expunging its registered trade mark.
- Led a team in conducting an IP audit and the structuring of an effective IP protection programme for an education service provider.
- Acted for an American multinational corporation specialising in internet-related services and products in a domain name dispute.

Languages. English, Bahasa Malaysia, Basic Knowledge of Mandarin and Cantonese

Professional associations/memberships

- Licensing Executives Society of Malaysia (past President).
- Malaysian Bar.
- International Bar Association (IBA).
- International Trademark Association (INTA).
- INTA Data Protection Committee.

Publications. Malaysian section of the *World Trademark Review Anti-Counterfeiting Guide (2010-2017)* and *Managing Intellectual Property (co-writer)*.